

DECISION RECORD AND
FINDING OF NO SIGNIFICANT IMPACT
For
VALLEY COUNTY WIND ENERGY PROJECT (VCWEP)
Environmental Assessment (June 2006) and Supplemental Environmental Assessment

INTRODUCTION

The Bureau of Land Management (BLM), and Montana Department of Natural Resources and Conservation (DNRC) have jointly prepared a supplemental environmental assessment to evaluate Wind Hunter LLC's proposal to scale down the Valley Wind Energy Project (VWEP) from 500 MW to 170 MW. The foregoing supplemental EA used the analysis of the larger project (June 2006 EA) to illustrate potential environmental impacts of the modified project.

The purpose and need for the June 2006 VWEP EA are outlined in section 1.2 of the EA. The purpose of the Supplemental EA is to inform the public of the modified proposal, and to allow the public to comment on the modified proposal.

Selected Alternative:

The selected alternative is construction and operation a 170 MW wind energy farm on Federal Lands (BLM), State of Montana (DNRC school trust) and private land, construction of a 69KV transmission line on Alternative Route C, and construction of an access road. The selected alternative, (including mitigation measures outlined in Appendix A of the June 2006 EA) will result in the accomplishment of the project objectives.

BLM Objectives:

1. The selected alternative supports wind power development on public lands in line with national goals for development of renewable energy resources contained in the National Energy Policy and BLM's Wind Energy Development Program.
2. The selected alternative will minimize environmental and socio-cultural impacts; less than 15 acres of the BLM native grasslands and wildlife habitats will be permanently disturbed and visual impacts to the Bitter Creek Wilderness Study Area are mitigated with this proposal.

DNRC Objectives

1. Lease the right to utilize state land for the production of wind energy and generate the maximum monetary return to the common school trust. The selected alternative will allow the DNRC to lease to Wind Hunter LLC the right to place up to 19 wind turbines on school trust land. The common school trust is projected to earn \$64,000 per year from this wind energy lease.
2. Manage the state rangeland for the desired future condition characterized by a healthy native plant and animal plant community. The selected alternative will maintain 99% of the native

rangeland in an unchanged condition characterized by healthy native plant and animal communities.

Reasons for Finding of No Significant Impact:

In consideration of the analysis documented in the EA, and the reasons outlined in this FONSI, the selected alternative would not constitute a major State or Federal action that would significantly affect the human environment. Therefore, an EIS will not be prepared.

The following are separate findings specific to state and federal environmental rules:

The Bureau of Land Management makes the following findings

Based on the analysis of potential environmental impacts contained in the attached Environmental Assessment (EA), MT-090-07-07, BLM has determined that the selected alternative will not have any significant impacts on the human environment, and an environmental impact statement is not required. A brief explanation is given as follows:

1. No significant effects were identified in the EA from the selected alternative.
2. The selected alternative will not impact public health and safety.
3. There were no unique characteristics of the geographic area (e.g. prime farmlands, wetlands, wild and scenic rivers) adversely affected by the selected alternative.
4. The selected alternative is not a highly controversial action.
5. There are no highly uncertain effects or unique/unknown risks that will result with the implementation of the selected alternative.
6. The selected alternative does not establish a precedent for future actions with significant effects.
7. There were no cumulatively significant impacts identified through the NEPA analysis.
8. The VCWEP site is not eligible for nomination to the National Register of Historic places. Public lands that contain significant cultural resources have been avoided or sites mitigated.
9. No adverse effects to endangered or threatened species habitat/populations were identified in the EA. Also no adverse effects to BLM special status species habitat/populations were identified in the EA that might lead to the need to list any BLM designated Sensitive Species under the Endangered Species Act.

10. There will be no violation of federal, state or local law or requirements imposed for the protection of the environment as a result of the selected alternative.
11. President's Energy Policy: as put forth in Executive Order 1312, decisions made by the Bureau of Land Management will take into consideration adverse impacts on the President's Energy Policy. This project, as proposed, will have no impact on this policy.

BLM Authorized Actions:

1) Amend ROW grant MTM093841 to authorize Wind Hunter, LLC, pursuant to the authority of the Federal Land Policy and Management Act (FLPMA) of 1976 (43 USC 1761), to construct, operate, maintain and terminate a 170 MW wind farm development (approximately 29 turbines) with infrastructure (roads, buried cable) on public lands within T.33N., R.38E., sections 1, 12, 13, 14; and T.34N., R.39E., section 30 and 31 of the Montana Principal Meridian, Valley County, Montana. The ROW area of the wind farm encompasses 1,693 acres of public land as depicted on the map labeled Exhibit _____. The grant amendment is issued for a term of 30 years, can be renewed, is subject to rent, and is subject to the stipulations shown in Appendix A of the 2006 EA, and the terms and conditions in 43 CFR 2800.

Within 120 days of issuance of the ROW grant, Wind Hunter, LLC will submit a Plan of Development that describes in detail the construction, operation, maintenance and termination of the ROW and its associated improvements and/or facilities, and be specific to the use of the public lands. The plan will be reviewed and, if appropriate, modified to reflect site specific use of the public land, and be approved by the BLM Authorized Officer. The approved plan will become part of the ROW grant.

No surface disturbing activity can commence until written notice to proceed is given by the BLM Authorized Officer. The holder shall contact the BLM Authorized Officer at least 5 days prior to the anticipated start of construction and /or any surface disturbing activities on the public land. The Authorized Officer may require and schedule a preconstruction conference with the holder, subcontractors and agents to review requirements of the grant.

Within 120 days of issuance of the ROW grant, Wind Hunter, LLC will provide a bond in the amount of \$_____, to be maintained until restoration of disturbed areas and other requirements relative to the construction phase of the project have been accepted by the BLM Authorized Officer.

Within 120 days of issuance of the ROW grant, Wind Hunter, LLC will provide a bond in the amount of \$ _____ for bonding during termination/decommissioning. This bond must be maintained in effect until removal of improvements and restoration of the ROW area has been accepted by the BLM Authorized Officer. Should the bond become unsatisfactory over time, the ROW holder shall, within 30 days of demand, furnish a new bond.

Within 90 days of completion of the construction phase, Wind Hunter, LLC will submit to the BLM Authorized Officer digitized as-built diagrams depicting the location of the constructed facilities on public land.

2) Issue a ROW grant (MTM09384101) to authorize Wind Hunter, LLC, pursuant to the authority of FLPMA, to construct, operate, maintain and terminate a 69kV Transmission line, with associated access roads, across public land in T29N., R.38E., sections 1, 12, 13, 14, 24; T.29N., R.39E., section 6; T.30N., R.39E., sections 6, 7, 18, 19, 30; T.31N., R.39E., sections 19, 30, 31; T.33N., R.38E., sections 10, 15, 22, 23 of the Montana Principal Meridian, Valley County, Montana. The ROW is 100 feet in width, 12.7 miles in length, comprising _____ acres, and follows the route depicted on the map labeled Exhibit _____. The grant is issued for a term of 30 years, can be renewed, is subject to rent, and is subject to the stipulations attached as exhibit _____, and the terms and conditions in 43 CFR 2800.

Within 120 days of issuance of the ROW grant, Wind Hunter, LLC will submit a Plan of Development that describes in detail the construction, operation, maintenance and termination of the ROW and its associated improvements and/or facilities, and be specific to the use of the public lands. The plan will be reviewed and, if appropriate, modified to reflect site specific use of the public land, and be approved by the BLM Authorized Officer. The approved plan will become part of the ROW grant.

No surface disturbing activity can commence until written notice to proceed is given by the BLM authorized Officer. The holder shall contact the BLM Authorized Officer at least 5 days prior to the anticipated start of construction and /or any surface disturbing activities on the public land. The Authorized Officer may require and schedule a preconstruction conference with the holder, subcontractors and agents to review requirements of the grant.

Within 90 days of completion of the construction phase, Wind Hunter, LLC will submit to the BLM Authorized Officer digitized as-built diagrams depicting the location of the constructed facilities on public land.

3) Issue a ROW grant (MTM09384102) to authorize Wind Hunter, LLC, pursuant to the authority of FLPMA, to construct, operate, maintain, and terminate a road, with associated cattle guards, across public land in T.33N., R.38E., section 1, of the Montana Principal Meridian, Valley County, Montana. The ROW is 60 feet in width, 4000 feet in length, comprising 5.1 acres, and follows the route depicted on the map labeled Exhibit _____. The grant is issued for a term of 30 years, can be renewed, is subject to rent, and is subject to the stipulations attached as Exhibit _____, and the terms and conditions in 43 CFR 2800.

Within 90 days of completion of the construction phase, Wind Hunter, LLC will submit to the BLM Authorized Officer digitized as-built diagrams depicting the location of the constructed facilities on public land.

Need to verify how much of the new road will cross BLM and where??

4) Livestock grazing: Since the 14 acres of permanent disturbance is equivalent to only about 3 AUMs of 4118 BLM AUMs in Bitter Creek grazing allotment (.07%) no adjustment will be made to authorizing grazing use.

The Montana Department of Natural Resources and Conservation makes the following findings pursuant to 36.2.524 ARM: Determining the Significance of Impacts.

1. The severity, duration, geographic extent and frequency of impacts from the construction and operation of the wind energy farm are minimal.

The construction of the wind farm will result in a change in the visual character of the area but changes in project size and wind turbine location will reduce impacts to sensitive view sheds including the Bitter Creek WSA. Visual impacts will not change the status of wilderness eligibility of the WSA as determined by the managing agency, BLM. Therefore, visual impacts are not expected to be significant.

The impact from collision or displacement to birds and bats was evaluated and found to be minimal. It is estimated that less than 1.2 birds and 1 bat death per megawatt will result from construction. At full build-out of 170 megawatts this would result in the annual death of a predicted maximum of 205 birds and 171 bats. Three raptor deaths are annually predicted. Some small-scale displacement of breeding songbirds is expected. Avian and bat impacts are not expected to be biologically significant.

A minor amount of soil compaction during construction is expected. The wind farm area is projected on 6,756 acres of which 1,085 acres are agriculture land and 5,671 acres are pasture rangeland. The wind farm will permanently disturb 47.5 acres of native mixed-grass prairie acres; an additional temporary disturbance of 149.3 acres of native mixed-grass prairie is anticipated. The wind farm will permanently disturb 11.5 acres of agriculture lands; 33.7 acres of agriculture land is anticipated to be temporarily disturbed. Transmission Line C will permanently disturb 70.8 acres of ground with an additional temporary disturbance of 75.6 acres.

Noise modeling indicates that no significant impact to nearby residences will occur. The surrounding land uses of grazing and agricultural production will remain largely unchanged.

2. There is a reasonable level of assurance that the severities of potential impacts are known and are not significant.

A comparison has been made of potential avian/bat impacts of the proposed wind energy farm and similar facilities and the DNRC is reasonably sure that avian impacts will be similar and not significant. Mortality and displacement estimates are based on

these similar facilities. Moreover, an avian and bat monitoring plan has been established to measure actual mortality.

Changes in project size have removed wind turbine placement within severe winter range big game habitat and decreased occupation of sharp tail grouse habitat.

All other resource impacts are known and can be reasonably predicted in terms of scope, duration, geographic extent, and frequency of occurrence.

3. The growth inducing and growth inhibiting aspects of project development including the relationship or contribution of the impact to cumulative impacts are minimal.

The project is located in Valley County, an area of declining population and economic activity. Assuming full build-out, the project is expected to employ 112-131 people during the construction of the project and 5 people during operation. The project will result in a minimal level of additional housing and demand for government services and these impacts are not expected to be significant.

4. The impact to the quality and quantity of each environmental resource, including unique or fragile resources, is not expected to be significant.

The expected level of avian and bat mortality and displacement is not expected to have a significant impact to the quality or quantity of these resources. The expected level of disturbance to big game winter range is not expected to have a significant impact to the quantity or quality of these resources. Changes to all other resources are minimal and do not have a significant effect on the quality or quantity of these resources.

5. The DNRC has considered the importance to the state and to society of each environmental resource or value that would be affected and has determined that no significant impact to these resources or values will occur from project implementation.
6. Implementation of the proposed action will not result in committal of the DNRC to future actions with significant impacts or decisions in principal about such future actions.
7. Implementation of the proposed action is not in conflict with any local, state, or federal law, requirements or formal plan.

Determination:

On the basis of the analysis and information contained in the Programmatic EA, the June 2006 EA, and this Supplement EA, it is our determination that adoption of the preferred alternative does not constitute a major action significantly affecting the quality of the human environment. Therefore, an EIS is not necessary. This decision is effective upon signature.

SIGNATURE OF AUTHORIZED OFFICIALS

For BLM:

Mark Albers
Field Manager, Malta Field Office

Date

For Montana DNRC:

Clive Rooney
State of Montana,
NELO Area Manager

Date